

Revamped Veterans' Health Care Now a Model

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For years, the Department of Veterans Affairs' sprawling health care system was criticized by veterans groups and government investigators as a dangerous backwater of medicine. Report after report portrayed it as suffocating from top-heavy bureaucracy, dirty and unsafe hospitals, and little or no accountability. Thousands of eligible patients opted to get their care elsewhere.

But in the past decade, largely unnoticed by the public, the system has undergone a dramatic transformation and now is considered by some to be a model.

Researchers laud the VA for its use of electronic medical records, its focus on preventive care and its outstanding results. The system outperforms Medicare and most private health plans on many quality measures, including diabetes care, managing high blood pressure and caring for heart attack patients. Demand at veterans clinics and hospitals is soaring -- so much so that Congress last month appropriated \$1.5 billion in emergency funds to cover a budget shortfall that the department did not anticipate.

Some experts point to the VA makeover as a lesson in how the nation's troubled health care system might be able to heal itself.

"If you take a five- or six-year perspective, I think what the Veterans Health Administration has done is stunning," said Donald M. Berwick, president and chief executive of the Institute for Healthcare Improvement. "It's especially impressive because this is a massive system that works in a fishbowl, is under tremendous scrutiny and has constrained resources."

Since 1995, the VA says, the number of patients it is treating has doubled, to about 5.2 million. At the same time, the department reports that it has trimmed its staff by about 12,000 people, opened hundreds of outpatient clinics and shifted its focus to primary care, while cutting costs per patient by about half.

"If we've proved anything . . . in the last 10 years, it is that quality is less expensive," said Jonathan B. Perlin, the acting undersecretary for health.

The VA's new medicine is on display at the bedside. One recent morning in Room 148 on the third floor of the Baltimore VA Medical Center, nurse Diane Bailey prepared to give Francis Xavier Lee, 79, a World War II veteran, medication for asthma.

In most hospitals, Bailey would rifle through charts attempting to decipher a physician's scrawled instructions. At Lee's bedside, she logged on to a laptop computer containing the patient's medical history and a list of medication he was scheduled to receive.

Bailey scanned Lee's bar-code bracelet to ensure his identity, then typed in the time and dose of each medication. If she were to hit the wrong key or enter the wrong information, the computer program would signal her to correct the mistake.

Initially, Bailey said, she was concerned about using the computer, but now she is a huge fan. "It's all right here," she said, pointing to the patient's electronic medical record. "Everything I need. It makes my job a lot easier."

The VA's metamorphosis began in the early 1990s, when it was under attack and worried about its future. Officials turned to Kenneth W. Kizer. A physician and former Naval Reserve officer, Kizer had earned kudos for helping restructure health services for the state of California.

"Everyone said, 'You're a fool,' " he recalled. " 'There isn't an agency in the government as sclerotic as the VA. Why go in and waste your time?' "

But Kizer was looking for a new challenge. Over the next five years, he and aides reorganized the VA's unwieldy network of 172-plus hospitals and 132 nursing homes into 22 self-contained systems responsible for providing all patient care. The VA also shifted some specialists to its new outpatient clinics.

At the same time, the department invested heavily in computers and software. They link distant clinics to urban teaching facilities and allow VA physicians to access patient records wherever they happen to be.

These days, computers are used to measure everything at VA sites with an aim toward improving care. Dorothy A. Snow, acting chief of staff in Baltimore, pores over pages of weekly statistics on how her facility compares with others in the area as well as its own performance over time. Areas requiring attention are highlighted in yellow. Most are blue or red, signaling that Baltimore has met or exceeded its targets.

In 1990, before Baltimore began tracking its performance, rates of screening for breast and cervical cancer were 50 percent and 17 percent, respectively. In 2003, they were 88 percent and 87 percent. "The computers are an effective way of driving performance," Snow said.

By contrast, private physicians in Medicare's sprawling fee-for-service system receive little feedback from the huge federal insurance program and lag behind VA doctors on numerous quality indicators, according to half a dozen recent studies by VA and academic researchers.

Medicare officials point out that the VA has the advantage of being an integrated delivery system -- that is, a health plan in which most of the doctors are salaried employees and all care is coordinated and tracked. In Medicare, physicians work for themselves and patients are free to pick and choose their services. Still, Perlin pointed out, "we were an integrated delivery system before, and no one said we had an advantage."

Veterans organizations applaud the VA makeover, saying surveys show that most of their members are satisfied with the medical care they get. At the same time, they worry that tight budgets are forcing some veterans to wait months for an appointment.

"The quality of care has improved greatly, and we are grateful for that," said Peter S. Gaytan, director of veterans affairs for the American Legion. "But the timeliness of care is suffering. We have vets waiting in line because the funding is inadequate to meet the need."

Unlike Medicare, the VA is expected to work within a budget. Recently, Congress criticized the department's leaders for underestimating the demand for services in light of the fighting in Afghanistan and Iraq. At June hearings, VA officials said the model they used to develop the 2005 budget relied on three-year-old data.

In June, the Bush administration told Congress that the VA would need more money this year, and revised its request for fiscal 2006, boosting the department's health budget by \$2 billion. Still, much of the increased demand for services predates Afghanistan and Iraq, and appears to coincide with the department's new reputation for quality.

A large part of that shift is the result of the investment in computers. The 75,000 physicians who are full-time, salaried doctors or affiliated with the Veterans Health Administration have access to a detailed electronic record of every patient. It includes every visit, prescription, surgery and test a patient receives. Doctors can call up prior visits, enter blood pressures and blood sugar levels, access the latest research, and tap into treatment guidelines -- all with the click of a mouse.

If a patient moves -- say, from Baltimore to San Francisco -- her record follows. If a physician in the VA's Pocomoke City, Md., outpatient clinic wants to check how his patient is faring after surgery in Baltimore, he can read the notes online. In the past, only one doctor could access a chart at a time. Now anyone can, at any time.

"If I want to check one of my patients from home, I can do it before I go to bed," Snow said. "It's made my job so much more fun. I'm more effective."

Perlin estimated that it costs the VA about \$78 per patient per year to operate the electronic health record. "Roughly the equivalent of not repeating one blood test," he said.

Later this year, the VA plans to allow patients to access their electronic medical records over the Internet through its My HealtheVet. "The patient is often the forgotten partner in health care," Perlin said. Sharing the records "recognizes a person has interests in how his care is managed."

The target for the rollout: Veterans Day in November.